

Federal Communications Commission Washington, D.C. 20554

DA 05-1693 Released: June 17, 2005

NVG-Amarillo, Inc. c/o Elizabeth Hammond, Esq. Drinker, Biddle & Reath, LLP Suite 1100 1500 K St., NW Washington, DC 20005

Barrington Broadcasting Texas Corporation c/o William H. Fitz, Esq. Covington & Burling 1201 Pennsylvania Avenue, NW Washington, DC 20004-2401

Re: KVII-TV, Amarillo, Texas, Application for

Assignment, File No. BALCT-20050414AAY, ID No. 40446; KVIH-TV, Clovis, New Mexico, Application for Assignment, File No. BALCT-

20050414AAZ, ID No. 40450

Dear Applicants:

This is in reference to the applications to assign the licenses of stations KVII-TV, Amarillo, Texas and KVIH-TV, Clovis, New Mexico from NVG-Amarillo, Inc. (NVG) to Barrington Broadcasting Texas Corporation (Barrington). As part of the assignment applications, Barrington requests authorization to continue operating KVIH-TV as a satellite of KVII-TV pursuant to Note 5 of Section 73.3555 of the Commission's Rules. ¹

Pursuant to the Commission's television satellite policy, as set forth in *Television Satellite Stations*, ² an applicant is entitled to a presumption that the proposed satellite operation is in the public interest if it meets three criteria: (1) there is no City Grade overlap between the parent and the satellite; (2) the proposed satellite would provide service to an underserved area; and (3) no alternative operator is ready and able to construct or to purchase and operate the satellite as a full-service station.³ Applications meeting these criteria, when unrebutted, will be viewed

² Television Satellite Stations, 6 FCC Rcd 4212 (1991), subsequent citations omitted.

¹ 47 C.F.R. § 73.3555, Note 5.

³ *Id.* at 4213-14.

favorably by the Commission. If an applicant cannot qualify for the presumption, the Commission will evaluate the proposal on an *ad hoc* basis, and grant the application if there are compelling circumstances that warrant approval.⁴

With regard to the first criterion, Barrington has submitted an Engineering Statement that demonstrates there is no City Grade overlap between the two stations. With regard to the second criterion, an area is deemed underserved if, under the "transmission test," there are two or fewer full-service stations licensed to the satellite's community of license. KVIH-TV is the only television station licensed to Clovis, New Mexico. Therefore, the application meets the first two criteria for satellite operations.

With regard to the third criterion, Barrington cites two previous Commission decisions regarding KVIH-TV to demonstrate that the Clovis station has long operated as a satellite because the sparsely-populated coverage area lacks either an adequate population or a sufficient economic base to support a full-service, stand-alone operation. There are five full-service commercial stations providing service to the Amarillo market, which has declined two market ranks to number 130 since the Commission approved the existing satellite operation. In addition, there are only 87,000 people living within the Grade B contour of the Clovis station. Barrington's request includes a statement by the media brokerage and appraisal firm of Kalil & Co. (Kalil) to further support its argument. Kalil states that Clovis is located more than 100 miles from Amarillo and its coverage contour does not include Amarillo or any other significant population centers that would provide sufficient viewers and advertising to support full-service operations. Kalil goes on to state that "the station has operated at a loss and requires the financial resources of KVII-TV in Amarillo to support its continued operations." Barrington contends that the financial support of the parent is especially important because of the need to convert KVIH-TV to full power digital operations. Barrington also contends that there is no realistic prospect for KVIH-TV to obtain a network affiliation as a stand-alone station. Kalil states that, despite extensive efforts to market KVII-TV and KVIH-TV over the past year, including talking to over 75 potential buyers, no party has expressed any interest in acquiring KVIH-TV to operate other than as a satellite station. For all these reasons, Kalil concludes that it is highly unlikely that any qualified buyer would be willing and able to purchase and operate KVIH-TV on a stand-alone basis.

We agree with Barrington that it has met the requirements for a favorable presumption under the three-prong satellite standard and that it has demonstrated that the continued operation of KVIH-TV as a satellite of KVII-TV would be in the public interest.

⁴ *Id*.

⁵ *Id.* at 4215.

⁶ Citing McAlister Television Enterprises, Inc., 60 RR 2d 1379 (1986); Letter Decision of Barbara A. Kreisman, Chief, Video Division, Media Bureau, to KVII Operating, L.P., et al. dated October 25, 2002.

Having found the applicants fully qualified, we conclude that grant of the subject applications would serve the public interest. Accordingly, the applications to assign KVII-TV, Amarillo, Texas and KVIH-TV, Clovis, New Mexico (File Nos. BALCT-20050414AAY and BALCT-20050414AAZ, ID No. 40450) from NVG-Amarillo, Inc. to Barrington Broadcasting Texas Corporation are GRANTED. Further, Barrington's request for continued operation of KVIH-TV as a satellite of KVII-TV is GRANTED.

Sincerely,

Barbara A. Kreisman Chief, Video Division Media Bureau